



USDA Foreign Agricultural Service

# GAIN Report

Global Agriculture Information Network

Template Version 2.09

Voluntary Report - public distribution

**Date:** 8/28/2008

**GAIN Report Number:** GH8006

## Ghana

## Poultry and Products

## Annual

## 2008

**Approved by:**

Ali Abdi, Agricultural Attaché, Lagos  
U.S. Embassy

**Prepared by:**

Levin Flake and Elmasoeur Ashitey

---

**Report Highlights:**

Ghana poultry imports have more than tripled in the past few years as Ghana's domestic poultry sector continues to decline and can only supply around 10 percent of poultry demand in the country. The United States is a major supplier to Ghana, and imports from the U.S. are at record levels this year.

---

Includes PSD Changes: Yes  
Includes Trade Matrix: No  
Annual Report  
Lagos [NI1]  
[GH]

TABLE OF CONTENTS

**PRODUCTION .....3**

    INDUSTRY COMPOSITION.....3

    FEED PRODUCTION .....4

**CONSUMPTION.....5**

**TRADE.....6**

**GOVERNMENT POLICY.....7**

**PSD TABLE: POULTRY MEAT .....8**

**Production**

The poultry industry in Ghana grew rapidly during the 1980-1990's, developing into a vibrant agricultural sector and supplying about 95 percent of chicken meat and eggs in the country. This growth was due to the Government of Ghana's (GOG) initiative in the 1960s to promote commercial poultry production as the greatest potential for addressing the acute shortfall in the supply of animal protein. The growth of the poultry industry was initially slow, due to irregular supply of imported day-old chicks and other inputs and frequent outbreaks of poultry diseases which discouraged potential farmers. However, in 1970 the GOG as part of its support for the development of the poultry industry removed custom duties on poultry inputs (feed, additives, drugs and vaccines). In addition poultry producers had access to veterinary services provided by the GOG or private practitioners.

Since 2000/2001, however, Ghana's poultry sector has been experiencing a steep decline. This severe decline in the local poultry industry is due to the very high cost of production (feed, inputs, energy). Other constraints include the high energy tariffs that have shot up production costs resulting in low profits, lack of credit for expansion and difficulty in accessing markets. By 2005, domestic poultry production was only able to meet 34 percent of demand as most poultry producers stopped producing broilers for meat altogether and started concentrating solely on the production of eggs. Both government and industry sources have indicated that poultry meat (broiler) production for 2007 fell to below 11 percent of demand. Most of the small and medium-scale producers have completely closed down. In Ghana local processing of poultry into cut portions to facilitate quick and easy use by consumers is nonexistent. There are two poultry enterprises that have the facility for processing poultry into dressed whole birds but this has not been sustained. Imported poultry products tend to be cheaper by 30-40 percent than the locally produced chicken. Egg sales, however, face relatively minor competition on the market compared to poultry meat.

**Industry Composition**

The active commercial poultry production sector in Ghana can be categorized into large-scale (over 10,000 birds), medium-scale (5,000-10,000 birds) and small-scale (50-5,000) enterprises. The domestic commercial farms are privately – owned by individuals or a family. The large-scale category form about 20 percent of the total poultry sector, producing mainly eggs, and most operate their own feed-mill and some maintain a hatchery and parent stock. The level of bio-security practice is high in the large-scale category.

Meanwhile, the medium-scale and the small-scale category form about 80 percent of the poultry sector and rely on hatcheries for their day-old chicks and the feed mill operators for their feed. The medium-scale category also produces mainly eggs. Included in the small scale category are backyard poultry producers who produce mainly broiler birds. The medium and small-scale group, practice minimal bio-security, with free-range and wild birds sometimes gaining access to the poultry houses. These operations are thus predisposed to disease out breaks such as Avian Influenza. Most of the commercial poultry farmers produce broiler birds for sale only during the festive seasons (Christmas and Easter), a period in which Ghanaians prefer live chickens.

For several years day-old chicks for commercial production have been produced by seven hatchery companies. Presently the poultry hatcheries are producing at only between 11-60 percent of capacity as a result of low demand. Only three of these hatchery companies maintain their own parent stock of layer or broiler birds. The rest depend on imported fertile eggs.

The broiler and layer birds are kept wholly indoors, on deep litter, or in battery cages fed on well formulated diets. The broiler birds in 6-7 weeks attain 2-2.5 kg live-weight and are then

ready for the market. The layer birds attain 16 weeks for pullets to start dropping eggs. The industry average egg production is 230-250 eggs/layer/year. The main feed ingredients are locally obtained corn or imported yellow corn, cotton-seed cake, kernel cake, soy bean cake, copra cake, fish-meal and soy bean meal. Vitamin-mineral premixes are also imported. The average cost of producing broiler in Ghana (live wt 2-2.5kg/dressed weight of 1.5-1.9kg) is estimated GHC10.00 (\$10) for large scale producers and it could be more for small-scale producers. This figure is far above the price of imported poultry. According to the industry poultry production in Ghana is a high cost intensive enterprise due largely to high input costs.

In May 2007, Ghana became the eighth African country to confirm H5N1 avian influenza (AI) outbreaks in poultry. The disease was first reported in Africa in February 2006, when it was detected in Nigeria, and has since been reported in a number of African countries. Ghana's initial poultry outbreaks were detected between mid-April and June 2007 on a few small-scale farms in three regions. The disease was quickly contained by quarantining and destroying all the birds in the affected farms to prevent the spread of the virus. The Agriculture Ministry compensated the farmers using 50-90 percent of the market value for the destroyed birds. In addition public awareness programs such as distribution of information leaflets, posters, radio and television announcements, discussions and workshops to educate the public on mode of spread of AI, its detection and control were undertaken. Most large-scale commercial poultry farms have instituted high bio-security measures to prevent the entry of AI into their farms.

A surveillance system has also been established by the GOG to monitor and assess the AI threat at all the entry points along the borders of Ghana, at market places and resting places of wild birds, including areas near water bodies. Last year the USDA Cochran Fellowship Program trained four Ghanaian Veterinary staff in the US on AI and food safety to support the control and prevention of AI in Ghana. These veterinary officers have been used as resources persons in the training of other animal health officials. In addition training on detection of AI and control has also been carried out countywide for all Veterinary staff. The Government has also established Avian Influenza Working Group (AIWG) as recommended by the FAO and WHO. The AIWG has published "Ghana's Preparedness and Response Plan for Avian and Human Pandemic Influenza 2005-2006."

### **Feed production**

Ghana's poultry feed industry has been declining due to the reduction in domestic broiler production. Most commercial feed millers have shifted to producing layer feed which constitutes about 90 percent of feed production with broiler feed only accounting for about 10 percent. Broiler feed is primarily purchased by small scale backyard poultry producers, although there is seasonal demand from larger producers who raise birds for the festive seasons such as Christmas and Easter. Poultry feed accounts for about 70 percent of the total feed produced in Ghana.

Feed manufacturers in Ghana can be categorized into commercial feed millers and on-farm self millers. Presently Ghana has about five commercial feed mills with a total installed operating capacity of 500 tons per day. However, most feed millers are only producing about 40-50 percent capacity due to the slack demand from the poultry industry. The average amount of compound feed produced in Ghana has remained at about 8,000 MT for the past few years.

Most of the medium-scale and small-scale poultry producers are supplied by the commercial feed millers. These feed millers produce mainly mash feed, with only a few producing high feed concentrates and only one feed mill pelletizing feed. Most small and medium-scale

poultry producers prefer the feed concentrates because it is cheaper, convenient and less bulky for transportation.

The main ingredients for compound feed are locally obtained corn or imported yellow corn and wheat bran. Corn typically forms about 50-60 percent of the total feed formulation and the poultry industry consumes nearly 30 percent of all corn produced in the Ghana. Feed prices in Ghana have been climbing, primarily due to the rising cost of corn. The price of white corn per 50kg bag in July 2008 was GHC45.00 (\$45), nearly double the cost of GHC24.70 (\$24.70) in the same period in 2007. As a result of the scarcity and high cost of white corn the GOG this year encouraged traders to import corn. As such three companies have been granted permits to import yellow corn for the poultry industry and a total of 26,320 MT of yellow corn has so far been imported into Ghana, primarily from Argentina. One of the companies is bringing an additional 15,000 MT in August 2008.

Soybean meal inclusion in poultry feed is low due to high cost and the inclusion level of soybean meal ranges from as low as 10 percent to 18 percent of feed ration for layers and 15 to 25 percent of feed formulation for broilers. Controlling animal feed costs is critical in this industry given that it represents approximately 82 percent of variable production cost (industry source). As such feed manufacturers are switching to low cost substitutes such as palm-kernel cake, groundnut cake and fish-meal that are by-products from agro-processing.

### **Consumption**

Poultry consumption in Ghana has continued to rise and Post forecasts Ghana's total poultry consumption in MY 2008 at approximately 90,000 MT up from 77,000 MT in MY 2007. Poultry meat imports to Ghana in 2007 accounted for nearly 90 percent of consumption while the commercial poultry production sector and non-commercial or backyard poultry provided only about 11 percent. Poultry meat consumed in Ghana includes chickens, guinea fowls, ducks, turkeys and ostrich, although it is dominated by chicken. The estimated per capita consumption of poultry products in Ghana is 3.5kg meat and 20 eggs which remains far below the world average of 154 eggs and 9.7 kg meat. In Ghana, meat (both livestock and poultry) contributes only 40 percent of the national animal protein supply, with the rest coming from fish (FAO report 2006).

While consumption of red meat has not changed during the last five years, consumption of frozen poultry meat has almost doubled. Consumption patterns of households in urban areas in Ghana are weighed towards imported frozen poultry. Reasons stated for this trend are that it is cheaper than locally produced poultry, and is more convenient because it is pre-cut. About 90 percent of imported frozen chicken is processed cut portions/parts especially chicken leg quarters and wings, and 10 percent is processed whole chicken and gizzards. As such the convenience of a ready-to-use chicken product has boosted consumer demand. In addition the increase in demand of frozen poultry products in the past few years is due to the rapid growth in the restaurant, hotel and fast food sector.

Consumption of poultry and eggs is continuing strong this year, despite significantly higher prices, as prices for other foodstuffs have also increased. The price of imported leg quarters is currently GHC2.70 per kg, compared to GHC1.50 this time last year. The farm gate price of eggs per crate (30 eggs a crate) is GHC3.50-GHC4.00 up from GHC2.00-2.50 last year.

Consumption of poultry in Ghana was briefly negatively affected by the outbreak of AI and consumption of both imported and locally produced poultry declined by 80 percent within a week. Some hotels even stopped serving chicken and eggs. During this period there was a huge accumulation of unsold eggs at the egg production centers. This was the effects of just the fears of the introduction of AI into Ghana. However, the USA Poultry & Egg Export Council (USAPEEC) developed and organized a marketing campaign to educate consumers on the safe handling and cooking of poultry in major city centers. A media campaign was

developed to enhance these educational programs. The media campaign (radio, newspapers, leaflets) was supported by the local poultry association and the GOG. As a result of these efforts, consumption of poultry meat increased after a few months.

### Trade

Post forecasts poultry imports for Ghana in MY 2008 as high as 80,000 MT, up from 66,000 MT in MY 2007 due to increasing demand and the continued decline in domestic commercial poultry meat production. Ghana poultry imports are supplied mainly from the United States, Brazil and the EU. About 90 percent of poultry imported into Ghana is processed cut portions/parts, such as leg quarters and wings, and 10 percent is processed whole chicken and gizzards. Ghana's official statistics indicate that poultry imports have more than tripled in recent years from 20,000 MT in MY 2002 to over 66,000 MT in MY 2007 as shown in table 1. Growth in imports in 2006 was partially constrained by demand responses to the outbreak of AI in the region, but consumption growth has now returned to normal. The United States is a major exporter of poultry products to Ghana supplying between 24-50 percent of all imports from 2002 to 2007. This year, U.S. poultry exports have surged to record levels, and Post forecast for U.S. exports of poultry meat in MY 2008 at a record 22,000 MT up from 16,360 in MY 2007. Ghana is the largest market for U.S. poultry exports in West Africa, and through the first 6 months of 2008 is the second largest market in all of Sub-Saharan Africa (after Angola).

**US Percentage Share of Poultry Export to Ghana (Table 1)**

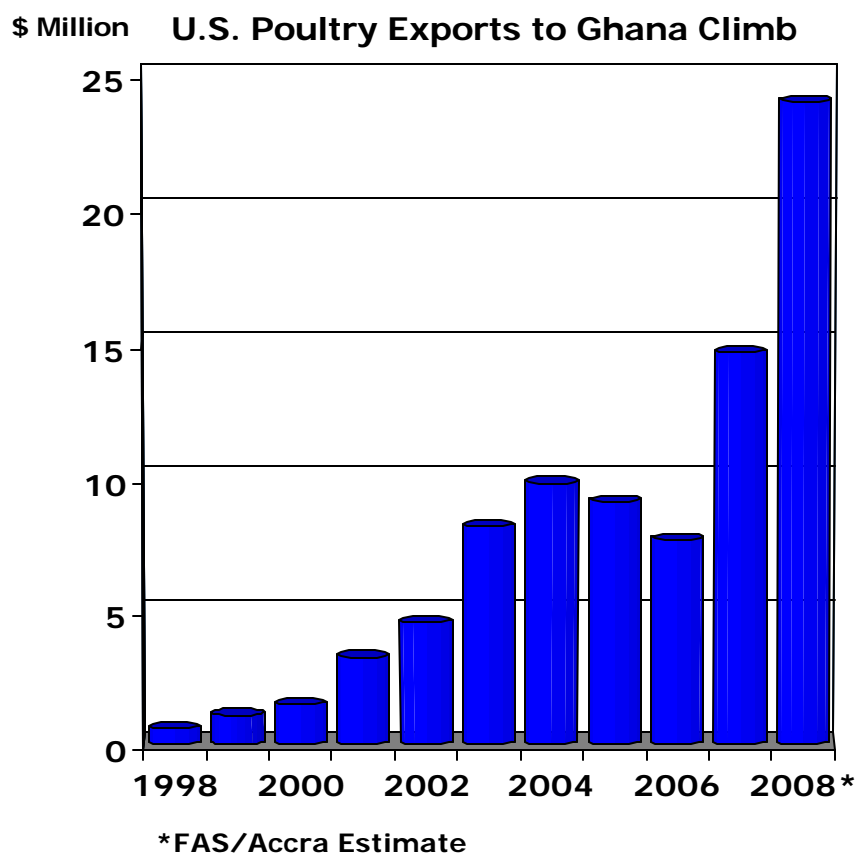
Year	Total Poultry Import in Ghana(MT)	USA Poultry Export(QTY) MT	US percent share of Market
2002	20,752	10,068	48 percent
2003	34,107	17,377	50 percent
2004	40,357	15,999	39 percent
2005	42,288	13,509	31 percent
2006	47,794	12,079	25 percent
2007	66,899	16,360	24 percent

Despite increasing exports, the United States has lost some market share to Brazil, in part due to quality concerns because of its freezing methods, as well as perceptions of inferior packaging materials. U.S. poultry does enjoy a price advantage compared to Brazilian supplies, however, with the current cost of U.S. poultry per 10kg box at \$20.50, compared to \$21.50 for Brazilian poultry. Ghana continues to be a destination for U.S. poultry due to strong relationships between importer and exporter and loyalty to U.S. poultry products.

The bulk of imported poultry products come in the form of cut portions shipped in either brown boxed packages (US origin) or white covered boxes with branded names (Brazil origin) with most weighing approximately 10 kg. Frozen poultry is widely distributed in the country, through a network of privately owned cold stores located in the major cities. Locally produced birds are sold to retailers and individuals as live or processed whole birds at the farm gate or at the traditional markets during the festive occasions. A couple of large-scale domestic producers have attempted to sell local birds in cut parts but this has not been sustained and imported poultry products tend to be cheaper by 30-40 percent than the locally produced chicken.

**US poultry Exports to Ghana in Quantity and Value (Table 2)**

Year	Poultry Import(QTY)	Poultry Imports (thousands \$)
2002	10,068	4,549
2003	17,377	8,034
2004	15,999	9,741
2005	13,509	9,102
2006	12,079	7,668
2007	16,360	14,591

**Government Policy**

The level of tariffs on imported poultry is 20 percent. The National Poultry Farmers Association thus pressured the Government of Ghana (GOG) to increase poultry tariffs to protect the industry. In 2006 the (GOG) passed a regulation increasing the poultry import tariff from 20 percent to 40 percent to enhance protection of the poultry sector. However the law was never implemented and was officially overturned two months later (March 18, 2006). The National Poultry Farmers Association took the GOG to court to enforce the implementation of the law but the case was suspended to enable the GOG to address their concerns. To support the poultry producers and to reduce the pressure on government the GOG established a Poultry Council made of the members of the Association to help the local industry to thrive.

One major concern for the poultry import industry is that since 2002, GOG appears to be at times using delays in the issuance of import permits to protect the domestic poultry industry in the country.

In addition to the import duty of 20 percent, poultry imports also attract VAT of 12.5 percent, ECOWAS levy of 0.5 percent, EDIF levy of 0.5 percent, Inspection fee of 1.0 percent and GCNET of 0.4 percent of CIF value. In addition, effective August 1, 2004, GOG has included National Health Insurance Levy (NHIL) of 2.5 percent to be collected by the VAT Secretariat.

PSD Table: Poultry Meat

Poultry, Meat, Broiler Ghana	2006			2007			2008		
	2006			2007			2008		
	Market Year Begin: Oct 2006			Market Year Begin: Oct 2007			Market Year Begin: Oct 2008		
	Annual Data Displayed		New Post	Annual Data Displayed		New Post	Annual Data Displayed		Jan
			Data			Data			Data
Inventory (Reference)	0		0	0		0	0		0 (MIL HEAD)
Slaughter (Reference)	0		0	0		0	0		0 (MIL HEAD)
Beginning Stocks	0		0	0		0	0		0 (1000 MT)
Production	30		27	30		11	30		10 (1000 MT)
Whole, Imports	0		0	0		0	0		0 (1000 MT)
Parts, Imports	52		47	68		66	80		80 (1000 MT)
Intra-EU Imports	0		0	0		0	0		0 (1000 MT)
Other Imports	0		0	0		0	0		0 (1000 MT)
Total Imports	52		47	68		66	80		80 (1000 MT)
Total Supply	82		74	98		77	110		90 (1000 MT)
Whole, Exports	0		0	0		0	0		0 (1000 MT)
Parts, Exports	0		0	0		0	0		0 (1000 MT)
Intra EU Exports	0		0	0		0	0		0 (1000 MT)
Other Exports	0		0	0		0	0		0 (1000 MT)
Total Exports	0		0	0		0	0		0 (1000 MT)
Human Consumption	82		74	98		77	110		90 (1000 MT)
Other Use, Losses	0		0	0		0	0		0 (1000 MT)
Total Dom. Consumption	82		74	98		77	110		90 (1000 MT)
Total Use	82		74	98		77	110		90 (1000 MT)
Ending Stocks	0		0	0		0	0		0 (1000 MT)
Total Distribution	82		74	98		77	110		90 (1000 MT)
CY Imp. from U.S.	0		12	0		16	0		22 (1000 MT)
CY Exp. to U.S.	0		0	0		0	0		0 (1000 MT)
Balance	0		0	0		0	0		0 (1000 MT)
Inventory Balance	0		0	0		0	0		0 (1000 MT)
Production Change	3		0	0		0	0		0 (PERCENT)
Import Change	2		0	31		0	0		0 (PERCENT)



Export Change	0		0	0		0	0		0	(PERCENT)
Trade Balance	-52		-47	-68		-66	-80		-80	(1000 MT)
Consumption Change	3		0	20		0	0		0	(PERCENT)